

REMARKS

After entry of the foregoing amendment, claims 3 and 5-9 are pending in the application.

The drawing requirement is noted. Applicant requests that this requirement be deferred until the indication of allowable subject matter.

An Abstract is submitted herewith. No new matter has been added.

The rejection of claim 1 is well taken, and this claim has been canceled.

Claim 3 has been amended to overcome the § 112 issues noted by the Examiner, and to better differentiate its method from that taught by Rhoads.

Favorable reconsideration and passage to issuance are solicited.

Date: February 2, 2004

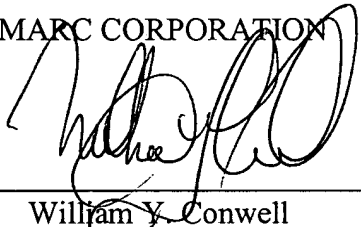
**CUSTOMER NUMBER 23735**

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Respectfully submitted,

DIGIMARC CORPORATION

By

  
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